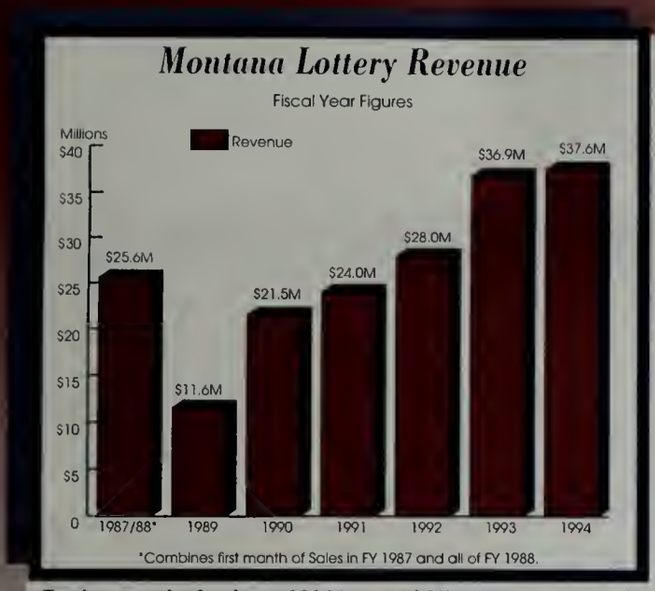
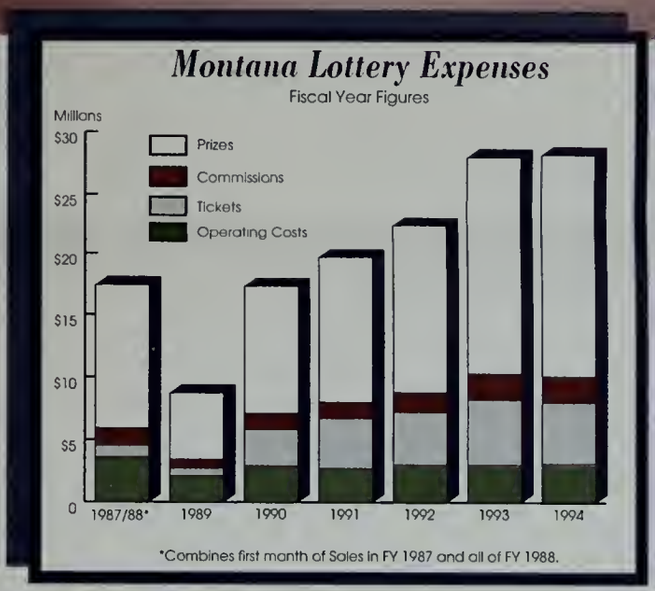
BIG things HAPPEN when you play the Montana Lottery



Total revenue for fiscal year 1994 increased 2% setting a new record.



Expenses directly related to increased sales (prizes, commissions, ticket costs) continue to rise in relation to revenue generated, while operating costs remain virtually flat.

Explanation of categories:

Revenue: Ticket sales, earnings on investments and licensing fees.

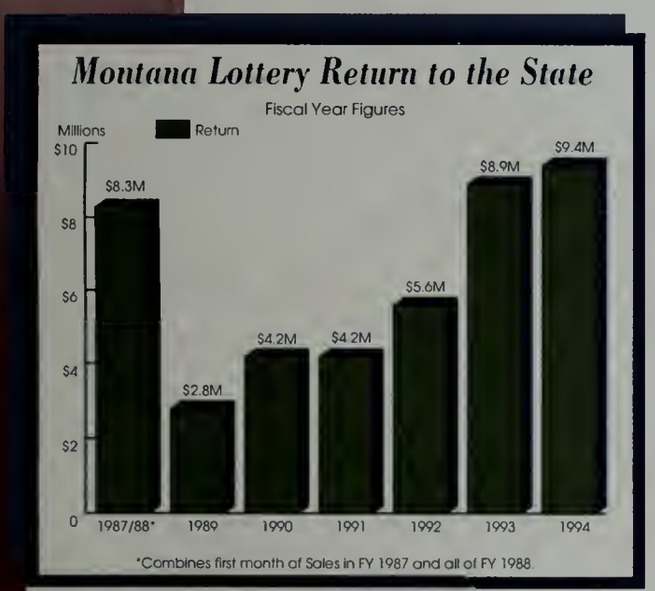
Prizes: A minimum of 45 percent of all sales revenue is returned to players in the form of prizes.

Commissions: Lottery retailers earn a 5 percent commission on each ticket purchased. They also have an opportunity to earn additional commissions through a SCRATCH ticket retailer incentive program. Every SCRATCH ticket sold over an established base qualifies retailers for an incremental bonus of from 1 to 5 percent.

Tickets: Each SCRATCH ticket costs the Lottery approximately 5 cents to produce and each on-line ticket costs approximately 15 cents.

In November 1989, midway through fiscal year 1990, the Lottery introduced the first of its on-line games, Lotto*America. The increased costs associated with on-line products are reflected in the increase in ticket costs beginning in fiscal year 1990.

Operating Costs: The Montana Lottery is responsible for the marketing and sales of all Lottery products; public and media relations; the security of all elements of the Lottery; warehousing and inventory control; and Lottery operations which include accounting and fiscal management, and data processing.



Net revenue returned to the state for fiscal year 1994 increased 5% as a result of increased sales combined with greater operating efficiencies.

Return to the State: At the end of each quarter the Lottery transfers 90.9 percent of its net revenue to the State Equalization Aid Account which funds Montana's elementary and secondary schools. To date, the Lottery has transferred over $41.6 million to Montana's public schools.

Beginning in fiscal year 1992, the Board of Crime Control started receiving Lottery revenue. In fiscal year 1992, the Lottery transferred 1.6 percent of its net revenue for a total of $89,325. Beginning in fiscal year 1993, 9.1 percent of the Lottery's net revenue (not to exceed $1 million per fiscal year) is transferred to the Board of Crime Control. To date, the Board of Crime Control has received over $1.7 million.

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Winning With Montana

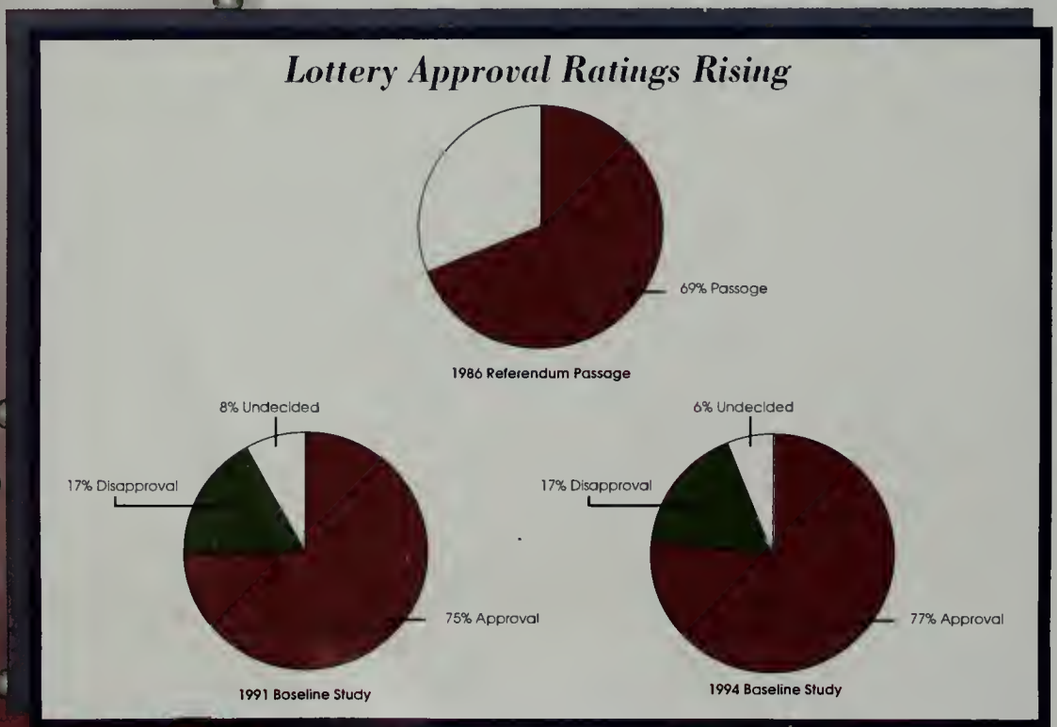
The Lottery ended fiscal year 1994 by transferring a record $9.4 million!

The Montana Lottery, a multi-million-dollar revenue-generating business, is operated by the State of Montana. A five-member commission, appointed by the Governor, oversees the Lottery's activities and procedures. The Governor also appoints a Lottery Director who coordinates the Lottery's four divisions: Administration, Security, Operations and Marketing.

Montana voters approved the Montana Lottery Act on November 4, 1986. The referendum passed by nearly 70 percent of the popular vote and carried in all 56 counties. ***A baseline study conducted early in 1994 with Montanans across the state indicates that the Lottery's approval rating has grown to 77 percent.***

In terms of total revenue and transfers, the Lottery's fiscal year 1993 financial success was repeated in fiscal year 1994. With a 2 percent increase in total revenue, to $37.6 million, and an increase in net revenue of 5 percent, to $9.4 million, the Lottery continues to meet its mandate. ***Since startup in June of 1987, the Lottery has transferred over $41.6 million to help fund elementary and secondary public schools; and over $1.7 million to the Board of Crime Control.***

In 1989, the Montana Lottery expanded its product line and introduced its first Lotto game, Lotto*America, which offered multi-million-dollar jackpots. MONTANA CA$H was introduced to Montanans in May 1991 and the multi-state Lotto*America game was replaced by POWERBALL in April 1992. In February 1994, Montana joined with Idaho and South Dakota to offer TRI-WEST LOTTO to their players. ***Since the introduction of the Lotto*America game in fiscal year 1990, the Montana Lottery has increased revenue by 75 percent and transfers to the state by 124 percent.*** Operating costs have remained nearly constant, increasing just 3 percent over fiscal year 1993 despite the addition of the new TRI-WEST LOTTO game.



The Lottery's overall approval rating continues to rise.

The Lottery's mission is to "Maximize revenues as well as transfers and ensure that policies and rules adopted further revenue maximization." By offering an increased variety of SCRATCH games, and continuing to enhance Lotto products, the Montana Lottery experienced its most successful year. The Lottery ended fiscal year 1994 by transferring a record $9.4 million to the Office of Public Instruction and the Board of Crime Control.

The beneficiaries of the Montana Lottery extend well beyond the Office of Public Instruction and the Board of Crime Control. In fiscal year 1994, prizes awarded to Lottery players exceeded $18 million, and over 700 retailers who sell the Lottery's SCRATCH and Lotto games earned more than $2.1 million in commissions and bonuses. These funds help fuel our local economies.